

REGULATION 1534

FINAL STATEMENT OF REASONS OVERVIEW/NON-CONTROLLING SUMMARY

Update

Regulation 1534 is promulgated to interpret and explain the application of tax on the sale and use of specified timber harvesting equipment and machinery to qualified persons under defined conditions.

Specific Purpose

The purpose of the proposed regulation is to interpret, implement, and make specific Revenue and Taxation Code Section 6356.6. This regulation is necessary to provide guidance to taxpayers involved in the sale and purchase of such property.

Factual Basis

Regulation 1534, Timber Harvesting Equipment and Machinery, is proposed to be promulgated to interpret, implement and make specific Revenue and Taxation Code section 6356.6, added by AB 426 (Stats. 2001, Ch. 156 § 5), which grants an exemption from the state portion of the sales or use tax on the sale and use of certain timber harvesting equipment and machinery under defined conditions.

Local Mandate Determination

The Board of Equalization has determined that the regulation does not impose a mandate on local agencies or school districts.

Response to Public Comment

On June 19, 2002, the Board held a public hearing on Proposed Regulation 1534. No one appeared at the public hearing and no written comments were received. At the Public Hearing, the Board added subdivision (j) to include an operative date of September 1, 2001, which had been inadvertently omitted from the published version. The Board determined that this was a non-substantial change under OAL Rule 40 as the operative date is in the statute itself and so applies to the regulation whether or not it is included. As a result, the Board concluded that this change did not require referral of the regulation to the 15-day file.

Small Business Impact

The Board of Equalization has determined that the proposed regulation will not have a significant adverse economic impact on small businesses.

Adverse Economic Impact on Private Persons/Businesses Not Including Small Business

No impact.

Federal Regulations

Proposed Regulation 1534 has no comparable federal regulations.

Alternatives Considered

By its motion, the Board determined no alternative to promulgating the regulation would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the adopted regulation.